

FISCAL NOTE

SB 2921 - HB 2860

February 18, 2002

SUMMARY OF BILL: Amends current Prompt Pay standards requiring health insurance companies to pay clean claims within thirty days unless clarifications are needed for the claim. Requires that a claim submitted electronically is acknowledged within 48 hours. Insurers must create a manual for providers outlining the procedure for dealing with disputed claims. Amends the amount of interest paid by insurers on late claims from 1% per month to 12% for claims over 30 days, 18% for claims over 60 days and 21% for claims over 90 days. The Department of Commerce and Insurance and the Department of Health are to consult to develop rules for a uniform claims process.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Estimate assumes:

- Some administrative expense in the Departments of Commerce and Insurance, and Health to develop revised rules. Such amount is estimated to be not significant.
- Most TennCare MCOs will meet the requirements of any amendments to the statutory requirements for clean claims. If MCOs do not meet the requirements of state law and are required to pay additional costs, then TennCare capitation costs will not increase because of the MCOs failure to meet state law.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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